### REMARKS

Claims 1-4 and 19-22, 24-26, 28-29, 31-39 are pending in the present application. Claims 5-18 were previously cancelled. By this reply, claims 23, 27 and 30 are cancelled and claims 37-39 are added. Claims 1, 24 and 33 are independent claims.

### **Interview Conducted**

Applicants appreciate the Examiner for the personal interview conducted with Applicants' representative on April 29, 2004. During the interview, the Examiner clarified his position by indicating, among other things, that the Examiner equates the rule-encryption key  $K_R$  in Schneck et al. to Applicants' claimed "encryption key." No agreement was reached during the interview.

Applicants respectfully request the Examiner to provide an Interview Summary.

## 35 U.S.C. § 102 Rejection

Claims 1, 24 and 33 have been rejected under 35 U.S.C. § 102(e) as being anticipated by Schneck et al. (U.S. Patent No. 5,933,498). This rejection, insofar as it pertains to the presently pending claims, is respectfully traversed.

The Examiner alleges that Schneck et al. teaches each and every feature recited in independent claims 1, 24 and 33 and cites, particularly, column 14,

lines 32-50 of Schneck et al. to support his position. However, this portion of Schneck et al. clearly states that the rule-encrypting key  $K_R$  is a function of the serial number SN of the <u>system</u>. During the interview, the Examiner alleged that the "system" (100) in Schneck et al. means a receiving device such as a distributor device 102 or a user device 104. The Examiner further alleged Schneck et al. teaches that the system 100 can select the ID of any one device (102, 104 or any attached device) of the system 100 to be the ID of the system  $\frac{100}{100}$ . Applicants respectfully disagree.

First, the system (100) in Schneck et al. as shown in Figure 1 includes both a distributor device 102 and a user device 104. Thus, the SN of the system is a serial number common to both the distributor device 102 and the user device 104 of the system 100 and cannot be the serial of any one particular device of the system 100.

Second, Applicants have reviewed the entire Schneck et al. carefully and have found no disclosure support for the Examiner's allegation that in Schneck et al., the ID of any device can be selectively used as the ID of the whole system. Schneck et al. discloses "when the rules are distributed with the product (package data 108),  $K_R$  is the same for all products and all embodiments of the system. When the rules are distributed separately from the product,  $K_R$  can be unique for each version of the system" (column 12, lines 10-14 of Schneck et al.). The Examiner seems to interpret this "each version of the system" to mean each device of the system. But, clearly, this interpretation

is a far overstretch of the term "version" as used in Schneck et al. and as known in the art to one skilled person. A "version" of a system thus cannot be equated to (or make obvious) each device of the system. The Examiner is respectfully requested to cite specific portions of Schneck et al. that allegedly teach the Examiner's allegations.

Furthermore, the Examiner cites in the Office Action column 12, lines 4-7 of Schneck et al. and also equates the data-encrypting key  $K_D$  to Applicants' claimed encryption key. In column 12, lines 5-6, Schneck et al. discloses that  $K_D$  "is selected by the distributor 102 and may be different for each product (i.e., for each packaged data 108)" (emphasis added). That is,  $K_D$  may be different depending on the <u>content</u> stored on a recording/storage medium.

In contrast, in Applicants' invention, an encryption key is generated in the data playing device on the basis of a unique identification of the storage medium (removable medium) itself (claim 1), or a combination of the unique identification numbers of the storage medium and the digital data playing device (claim 33), or a unique identification of the digital data playing device of the system, where the system includes both the data playing device and at least one additional device such as a processor device (claim 24). It is clear that Schneck et al. nowhere specifically teaches these features of Applicants' claimed invention.

Therefore, Schneck et al. fails to anticipate, inter alia:

a digital data playing device for . . . storing the

encrypted digital data file in a data storage medium, and decrypting the stored digital data file using an encryption key,

wherein the encryption key is generated in the digital data playing device on the basis of a unique identification number of the data storage medium, and

wherein the data storage medium is a removable medium

# as recited in independent claim 1;

a processor device for decrypting a previously encrypted digital data file using a first encryption key . . . and re-encrypting the decrypted digital data file using a second encryption key in response to a request . . .; and

the digital data playing device for . . . storing the re-encrypted digital data file in a data storage medium, and decrypting the stored digital data file using the second an encryption key,

wherein the second encryption key is generated in the digital data playing device on the basis of a unique identification number of the digital data playing device

as recited in independent claim 24; and

a digital data playing device for . . . storing the encrypted digital data file in a data storage medium, and decrypting the stored digital data file using an encryption key,

wherein the encryption key is generated in the digital data playing device on the basis of a combination of unique identification numbers of the data storage medium and the digital data playing device

as recited in independent claim 33.

Accordingly, the rejection is improper and must be withdrawn.

## 35 U.S.C. § 103 Rejection

Claims 2-4, 9-23 and 34-36 have been rejected under 35 U.S.C. § 103(a) as being unpatentable over Schneck et al. This rejection, insofar as it pertains to the presently pending claims, is respectfully traversed.

The Examiner alleges that it would have been obvious to modify Schneck et al. such that Schneck et al.'s encryption keys (KD and KR) are computed by using IDs uniquely associated with the storage medium or the player device as in Applicants' invention. However, as discussed above, all Schneck et al. teaches is that the data-encryption key K<sub>D</sub> can be different for different packaged data (content of the storage medium) such as for different movies or different software recorded on the storage medium, and that the ruleencryption key  $K_R$  (used differently from the data-encryption  $K_D$ ) may be unique for each version of the system. This in no way suggests to one skilled in the art to provide an encryption key on the basis of a unique identification of the recording medium itself, a unique identification of the data playing device of the system, or a combination thereof, as required by independent claims 1, 24 and 33. Applicants' claimed scheme of generating and using an encryption key (second encryption key) is clearly unique and patentably distinct from Schneck et al.'s generation and use of multiple encryption keys  $K_D$  and  $K_R$ .

Accordingly, the invention as recited in independent claims 1, 24 and 33 and their dependent claims (due to their dependency) is patentable over the applied reference, and the rejection must be withdrawn.

#### **New Claims**

Claims 37-39 further define the invention as recited in independent claim 24 and are thus allowable at least for the same reasons that their independent claim is allowable as discussed above.

#### CONCLUSION

For the foregoing reasons and in view of the above clarifying amendments, Applicants respectfully request the Examiner to reconsider and withdraw all of the objections and rejections of record, and earnestly solicit an early issuance of a Notice of Allowance.

Should there be any outstanding matters which need to be resolved in the present application, the Examiner is respectfully requested to contact Esther H. Chong (Registration No. 40,953) at the telephone number of the undersigned below, to conduct an interview in an effort to expedite prosecution in connection with the present application.

Applicant(s) respectfully petitions under the provisions of 37 C.F.R. § 1.136(a) and 1.17 for a two-month extension of time in which to respond to the Examiner's Office Action. The Extension of Time Fee in the amount of \$420.00 is attached hereto.

If necessary, the Commissioner is hereby authorized in this, concurrent, and further replies, to charge payment or credit any overpayment to Deposit

Account No. 02-2448 for any additional fees required under 37 C.F.R. § 1.16 or under 37 C.F.R. § 1.17; particularly, extension of time fees.

Respectfully submitted,

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Rv

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